

BREXIT AND FINANCIAL SERVICES: A COMPARATIVE TABLE OF TAXES IN KEY EUROPEAN JURISDICTIONS

	France	Germany	Ireland*	Italy**	Luxembourg	The Netherlands	Spain
Individual Taxes							
What is the personal income tax rate(s) ?	<p>Progressive system with highest rate of 45%</p> <p>Exceptional contribution on high income of:</p> <ul style="list-style-type: none"> - 3% to the extent that annual taxable income is above €250,000 for a single individual / €500,000 for a married couple - 4% to the extent that 	<p>Progressive system with highest rate of 47.475%¹</p>	<p>Standard rate: 20%</p> <p>Higher rate: 40%²</p> <p>Universal Social Charge Progressive system with base rate of 0.5% and highest rate of 8% / 11%³ of gross income⁴</p>	<p>Progressive system with basic rate of 23% and highest rate of 43%</p>	<p>Progressive system with highest rate of 45.78%⁵</p>	<p>Box 1 (income from employment) Progressive system with rates between 8.90% and 52%</p> <p>Qualifying expats may benefit from the '30% ruling', resulting in an effective maximum rate of 36.40% (instead of 52%)</p> <p>Box 2 (income from ≥5 equity interest in a company)</p>	<p>Progressive system with highest rate of 43.5% in Madrid region⁷</p> <p>Higher rates apply in other Spanish regions up to 52%</p>

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	annual taxable income is above €500,000 for a single individual / €1,000,000 for a married couple					Flat tax rate of 25% on dividends and capital gains Box 3 (income from savings and investments) 6 From 2017, a progressive yield basis has been introduced, resulting in an effective tax rate between 0/86% and 1.62% on the net market value of the net assets	
What is the personal capital gains tax rate(s) ?	Different rates apply depending on the particular asset. For example: - capital gains	In case of capital gains from the sale of financial instruments held as private assets a flat tax	Ordinary rate: 33% Reduced rate: 10% ⁹ Special rate:	Tax rate: 26% ¹¹	No taxation if the shares are disposed of more than 6 months after the acquisition date and the individual does not hold a	N/A	Capital gains will generally be taxed at a rate of 19% on the first €6,000 of gains, 21% on the next €44,000 and at

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	<p>on movable assets and real estate property: 19% income tax plus 15.5% social security contributions</p> <p>- capital gains on financial instruments (with some exemptions) held as private assets: progressive income tax rate plus 15.5% of social security contributions</p> <p>Tax rebates may be applicable depending on the holding period of the assets concerned</p>	<p>system applies</p> <p>Tax rate: 26.375%⁸</p>	40% ¹⁰		<p>major shareholding (10%), otherwise:</p> <ul style="list-style-type: none"> • half personal income tax rate (maximum 22.89%) for shares disposed after 6 months; or • full tax rate if the shares are disposed within 6 months 		23% on any excess

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What is the social security contributions rate(s) for employees / self-employed?	<p>Social security contributions for employees together amount to approximately 23% of the employee's gross salary</p> <p>The rates of the social security contributions are:</p> <p>Generalised social contribution rate on employment income¹²: 7.50%</p> <p>Health benefits rate: 0.75% of an employee's annual salary</p> <p>Old age pension rate (uncapped):</p>	<p>Pension insurance rate: 9.35% on a monthly salary up to €6,350¹³</p> <p>Health insurance rate: 7.30% on a monthly salary up to €4,350</p> <p>Unemployment insurance rate: 1.50% on a monthly salary up to €6,350¹⁴</p> <p>Nursing care insurance rate: 1.175%¹⁵ up to €4,350</p>	<p>Pay-related social insurance (PRSI): 4% of all earned and certain unearned income for employed and self-employed persons up to 66 years¹⁶</p>	<p>Employees</p> <p>Social security contribution rate: between 9.19% and 10.49% of total gross salary¹⁷</p> <p>Self-employed¹⁸</p> <p>Social security contribution rate 11.07% of income</p>	<p>Pension insurance rate: 8% (if employed) / 16% (if self-employed)*</p> <p>Health insurance rate: 2.8% (non-periodic remuneration) 3.05% (periodic remuneration) (if employed) / 6.10% (if self-employed)*</p> <p>Dependency contribution: 1.40% (if employed) / 1.40% (if self-employed)</p> <p>Accident rate: N/A (if employed) / 1% (if self-employed)*</p> <p>Mutual health care insurance rate: N/A (if</p>	<p>Employees</p> <p>National insurance contributions: 27.65% of the employment income up to a maximum employment income of €33,791</p> <p>Self-employed</p> <p>National insurance contributions: 27.65% of the employment income up to a maximum employment income of €33.791</p> <p>Disability contribution rate: 5.40% of net business profits up to a maximum of</p>	<p>Employees</p> <p>contribute 6.35% of contribution base (capped at a monthly maximum taxable base of €3,751.20), divided into the following components: general risks: 4.7%; unemployment insurance: 1.55%; professional education and training: 0.10%</p> <p>Self-employed</p> <p>contributions are generally calculated at an effective rate of 29.8% of the contribution base (capped at a monthly taxable base of €3,751.20²⁰)</p>

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	<p>0.40% of an employee's annual salary</p> <p>Old age pension rate (capped): 6.90% on a maximum monthly social security ceiling of €3,269 (2017)</p> <p>Unemployment benefits rate: 2.40% on a maximum social security ceiling of €13,076 (2017)</p> <p>Social Security Deficit Contribution Rate: 0.50%</p>				<p>employed) / 0.51%, 1.23%, 1.83% or 2.92% (if self-employed)* ¹⁹</p> <p>* capped for both employee and employer / self-employed to an annual ceiling of €119,915.16 (€9,992.93 per month)</p>	€53,701	
Are there any tax exemptions for individuals	Yes. A favourable French regime applies to	No	Yes Temporary assignees to	Yes There is a deduction of	Yes There is a specific	Yes Qualifying impatriates	Yes Expatriates relocated to

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relocating to the jurisdiction?	<p>individuals relocating to France if certain conditions are met (impatriates). Under the regime, exemptions cover earnings directly relating to days spent working abroad during an eight year period. In addition, amounts directly relating to the assignment to France (e.g. relocation expenses) may be exempt up to certain limits.</p>		<p>Ireland may benefit from relief from Irish income tax subject to certain conditions.</p> <p>Ireland also operates a Special Assignee Relief Programme ("SARP"). Qualifying individuals may apply to have 30% of income in excess of €75,000 exempted from Irish income tax. To qualify for SARP, the individual must be assigned to work in Ireland for at least one year (among other conditions).</p>	<p>50% of the employment and self-employment incomes which may apply to certain individuals relocating to Italy. This benefit is subject to a number of conditions and applies for a limited amount of time.</p> <p>Furthermore, under the new flat-tax regime, individuals who previously have not been tax resident in Italy and who transfer their tax residence to Italy will pay, instead of ordinary tax, a flat-rate tax of</p>	<p>favourable impatriate tax regime which applies under certain conditions.</p>	<p>may benefit from the '30% ruling', which means that 30% of their employment income is tax exempt (leading to a maximum effective tax rate of 36.40%, instead of 52%).</p>	<p>Spain may opt to be taxed pursuant to the non-resident income tax regime during the tax year in which they become tax resident in Spain and the following five tax years if qualifying conditions are met.</p> <p>Under this regime, the first €600,000 of employment income will be taxed at a flat rate of 24% with a rate of 45% applying to any excess.</p> <p>Non-Spanish source income and gains will not be taxed as</p>

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				€100,000 per year on all their non-Italian source income (and a flat tax of €25,000 for eligible family member). This regime is subject to certain conditions.			the expatriate is treated as a non-resident for income tax purposes.
Are there any other taxes on income? If yes, what is the applicable rate(s) ?	<p>Other Social Security Contributions:</p> <p>Rate on immovable property and investment income: 8.20%</p> <p>Rate on pensions and similar income: 6.60%</p> <p>Social Levy on</p>	<p>Church Tax 8% or 9% of income tax payable depending on the federal state²²</p> <p>Solidarity Surcharge 5.50% on income tax due (already included in the above income tax rates)</p>	No	<p>Regional Surcharge Income tax increased by rate varying between 1.23% and 3.33% depending on the region</p> <p>Local Surcharge Income tax could be increased by 0.90%</p>	<p>Municipal Business Tax for individuals having a commercial activity in Luxembourg Rate: 6.75% for City of Luxembourg²³</p>	No	<p>A Net Wealth Tax of up to 2.5% applies for 2017. This tax is levied on an individual's worldwide net assets²⁴ (though the Madrid region is currently exempted and, in principle, this tax is scheduled to be removed from 01</p>

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	<p>Passive Income Rate: 6.80%</p> <p>Other taxes applicable to individuals include:</p> <p>Wealth Tax²¹ Progressive rate of taxation to the portion of the taxpayer's assets that exceed €800,000 with a maximum rate of 1.50%</p>			(depending on the municipality)			January 2018 in all Spanish regions, though it is currently uncertain whether such removal will be effected)
Corporate Taxes							
What is the corporate income tax rate(s) (and capital gains tax rate if	<p>Standard rate: 33.33%</p> <p>For fiscal years beginning on or after 01 January 2017,</p>	<p>15% (but total rate is approx. 30% made up of 15% corporate income tax, plus a 5.50 % solidarity</p>	<p>Standard rate: 12.50%</p> <p>Corporation Tax Surcharge rate for certain "closely held"</p>	<p>Standard rate: 24%</p> <p>Higher tax rate applies to specific categories of</p>	<p>27.08% (26.01% in 2018)³⁰</p>	<p>25%, but 20% on profits up to €200,000</p>	<p>Standard rate: 25%</p> <p>New corporations taxed at 15% for the first two</p>

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different)?	<p>the standard rate will be progressively reduced to 28% (depending on the year and turnover of the company). The rate of corporate income tax will be 28% as from 01 January 2020, subject to any further potential amendments to the legislation.</p> <p>A reduced rate can apply to "small" companies subject to certain thresholds</p>	<p>surcharge thereon, and, in addition, a trade tax of approx. 14% (depending on the individual municipality where the business of the corporation is located) (see below))</p>	<p>companies: 15%²⁵ or 20%²⁶</p> <p>Rate for foreign dividends: 25% or in certain cases 12.5%²⁷</p> <p>Foreign portfolio dividends: 0%²⁸</p> <p>Rate for (i) profits from excepted trades²⁹, (ii) non-trading income, and (iii) foreign income: 25%</p> <p>Capital gains rate: 33%</p>	<p>companies such as banks and insurance companies</p> <p>Dormant entities corporation tax rate: 34.5%</p>			<p>years of taxable profits</p> <p>Collective investments schemes: 1%</p> <p>Pension funds and REITs: 0%</p> <p>Banks and oil companies: 30%</p>
Are there any other general taxes on the income of	<p>Social Surcharge 3.30% on corporate</p>	<p>Trade Tax Rate: 7-17.15% of taxable income (subject</p>	N/A	<p>Regional Tax on Productive Activities (IRAP)</p>	N/A	N/A	<p>Tax on Business Activities (IAE)</p>

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<p>corporations? If yes, what is the applicable rate(s)?</p>	<p>income tax exceeding €763,000 if a company has an annual turnover of €7,630,000 or more and the corporate income tax liability exceeds €763,000</p> <p>Social Solidarity Tax 0.16%³¹ of the company's turnover (companies with a turnover above €1 bn are liable to an additional contribution of 0.04%)</p> <p>Territorial Economic Contribution (CET)³² The corporate</p>	<p>to certain adjustments)</p> <p>Solidarity Surcharge 5.50% on corporate income tax due</p>		<p>IRAP is also due on the company's income. The standard rate is currently levied at 3.90% but this may be increased up to 4.82% from each Italian region and there are specific rates for certain categories of companies (e.g. banks and other financial intermediaries have an applicable rate of 4.65%)</p>			<p>IAE is levied by each municipality and may vary depending on business activity</p> <p>Companies will be exempted for the first two operating years and for the following if the net turnover is under €1m</p>

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	<p>property contribution is levied on the notional rental value of a company's immovable property and the rate varies between municipalities</p> <p>The added value contribution applies to companies with a turnover of over €152,500 and the rate is 1.50% on the added value produced by the company</p> <p>The total CET is capped at 3% of the added value</p>						
Is there a participation	Yes	Yes	In part	Yes	Yes	Yes	Yes

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exemption regime for inbound dividends and/or capital gains on the disposal of shares in subsidiaries?	<p>95% exemption for inbound dividends which requires a holding of at least 5% of the issued share capital for a period of 24 months³³</p> <p>88% exemption for capital gains arising from the sale of shares that form part of a substantial investment if the shares have been held for a period of 24 months³⁴</p>	<p>95% exemption for inbound dividends which requires a direct holding of at least 10% of the share capital since the beginning of the calendar year (directly or indirectly at least 15% for trade tax)</p> <p>95% exemption for gains with no minimum holding requirement³⁵</p> <p>Specific rates apply for financial institutions</p>	<p>Full tax exemption for capital gains on a qualifying participation of 5% held for a continuous period of at least twelve months in the previous two years</p> <p>Ireland operates a credit system for inbound dividends</p>	<p>95% of inbound dividends are exempt if received from a country which is not considered as having a privileged taxation system and 95% of the gains on a sale of a subsidiary is tax exempt³⁶</p>	<p>Full tax exemption for inbound dividends from and capital gains on a qualifying participation of 10% or €1.2m / €6m. Minimum holding period of 12 months is required³⁷</p>	<p>Full tax exemption for inbound dividends from and on capital gains on a qualifying participation of ≥5%</p>	<p>Full tax exemption where there is a qualifying participation of 5% which is held for at least a one year period. The 5% requirement is deemed to be fulfilled if the participation exceeds €20m³⁸</p>
Are there any tax exemptions for businesses relocating to	Whilst favourable regimes exist in France, these are not	No	Relief from Irish corporation tax may be available for the first three	N/A	Possibility of tax-step-up in case of migration to Luxembourg	No specific tax exemptions	No specific tax exemptions

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the jurisdiction?	specifically related to businesses relocating to France		years of operation. The relief applies to companies with Irish corporation tax liabilities of less than €40,000 per annum. Partial relief is available to companies with a corporation tax liability of €40,000-€60,000 (among other conditions)				
What is the social security contributions rate(s) for employers?	Social security contributions for employers are approximately 45% The rates of the social security contributions paid by	Pension insurance rate: 9.35% on a monthly salary up to €6,350 ⁴⁰ Health insurance rate: 7.30% on a monthly salary up to €4,350	Pay-related social insurance (PRSI): 10.75% (8.50% ⁴³) on remuneration ⁴⁴ paid to employees	Employees Social security contributions due by the employer range from 26% - 43% (approximately , depending on the level of seniority of the	Pension and disability rate: 8%* Health insurance rate: 2.80 % (non-periodic remuneration) or 3.05% (periodic remuneration)* Accident	Health insurance rate: 6.65% General disability insurance contribution (including childcare contributions):	Employer contributions cover illness, unemployment benefits, pensions and family allowances and professional contingencies. Normal employer

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	<p>employers are:</p> <p>Health benefits rate: 12.89% of an employee's annual salary</p> <p>Family allowance rate: 5.25% of an employee's annual salary (3.45% where the salary does not exceed 3.5 times the minimum salary (SMIC))</p> <p>Housing aid rate: 0.50% of the employee's annual salary³⁹</p> <p>Old-age solidarity rate: 0.30% of an employee's annual salary</p> <p>Old-age</p>	<p>Unemployment insurance rate: 1.50% on a monthly salary up to €6,350⁴¹</p> <p>Nursing care insurance rate: 1.175%⁴² on a monthly salary up to €4,350</p>		<p>employee) of the annual gross salary.</p> <p>Self-Employed⁴⁵</p> <p>22.14% of income</p>	<p>insurance rate: 1%*</p> <p>National Service health at work rate: 0.10 to 0.11% (depending on absenteeism)%*</p> <p>Mutual health insurance care rate: 0.51%, 1.23%, 1.83% or 2.92%*</p> <p>* capped for both employee and employer to an annual ceiling of €119,915.16 (€9,992.93 per month)³⁴</p>	<p>6.66%</p> <p>General unemployment insurance contribution: 2.64%</p> <p>Additional contributions: 2% (approx.) (dependent on business sector)</p> <p>Any of the above contributions are payable on remunerations paid to employees up to a maximum of €53,701</p>	<p>contribution is 29.9%, plus a varying rate based upon the contribution base</p>

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	<p>pension rate (uncapped): 1.90% of an employee's annual salary</p> <p>Old-age pension rate (capped): 8.55% on a maximum monthly social security ceiling of €3,269 (2017)</p> <p>Unemployment benefits rate: 4% on a maximum four monthly social security ceiling of €13,076 (2017)</p> <p>Salaries of bankrupt companies rate: 0.20% on a maximum monthly social</p>						

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	security ceiling of €13,076 (2017)						
Indirect Taxes							
What is the VAT rate(s) ?	Standard rate: 20% Reduced rates: 10%, 5.50%, 2.10%	Standard rate: 19% Reduced rate: 7%	Standard rate: 23% Reduced rates: 13.50%, 9%, 5.4% or 4.80%	Standard rate: 22% Reduced rates: 10%, 5% or 4% ⁴⁶	Standard rate: 17% Intermediate rate: 14% Reduced rate: 8% Special reduced rate: 3%	Standard rate: 21% Reduced rate: 6%	Standard rate: 21% Reduced rates: 10% or 4%
Withholding Tax							
Is there any withholding tax on outbound dividends? Note: This section does not consider	Yes, generally 30% ⁴⁷ (subject to the participation exemption regime) Other rates may apply e.g	Yes, 25% (26.38% including solidarity surcharge) Under German domestic tax law 2/5 is	Yes, 20% Broad exemptions available	Yes, 26% (1.2% in some EEA cases) ⁴⁸	Yes, 15% (subject to domestic participation exemption rules for certain qualifying participations and double tax treaty	Yes, 15% (generally exempt in case of distributions to EU resident companies)	Yes, 19% (subject to participation exemption under Spanish rules implementing Parent Subsidiary

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any exemptions or double tax treaty provisions in any detail.	dividends paid to non-resident individuals domiciled in the EU or EEA (21%), to non-profit organizations located in the EU or EEA (15%) and persons in a non-cooperative State (75%)	refundable			provisions)		Directive, for holdings of 5% or more)
Is there any withholding tax on outbound interest payments? Note: This section does not consider any exemptions or double tax treaty	No, except for payment to a company located in a non-cooperative state ⁴⁹	No, subject to certain exceptions ⁵⁰	Yes, 20% Broad exemptions available	Yes, 26% (reduced rate of 12.50% in some cases) ⁵¹	No, to the extent that: <ul style="list-style-type: none"> the interest is at arm's length; and the payments are not made to 	No	Yes, 19% Broad exemptions available

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provisions in any detail.					Luxembourg resident individuals Yes, 20% if certain interest payments are made to Luxembourg resident individuals by certain paying agents		
Investment Managers							
Is there any investment manager exemption ? If not, what are the tax consequences for a foreign fund?	No In principle, a non-French fund should not be taxable in France unless the activities of the manager in France give rise to a permanent	No A German investment manager may be treated as a permanent agent of a non-German fund in Germany if and to the extent such investment	Yes Irish tax legislation provides for an exemption from Irish tax for non-Irish residents where the services of an Irish investment manager are	No Activities limited to pure investment advice should not create a taxable presence (unless invariably acted upon without	Yes, for certain investment funds ⁵⁴	No specific exemption Activities limited to pure investment advice should not create a taxable presence of the Fund in the Netherlands.	No specific exemption, though in most scenarios no material PE risk is expected to be present It should be possible to obtain a 'negative PE ruling' from the

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	establishment	<p>manager not only provides investment advice but is also involved in the investment activities of the fund and, in particular, where the investment manager is entitled to conclude the acquisition and sale of investments on behalf of the fund⁵². However, from 01 January 2018, this should have no negative impact on the taxation of the fund, since under the new Investment Tax Act German and non-German funds will be</p>	availed of	question), but discretionary investment activities may easily create a taxable PE in Italy ⁵³		It is possible to obtain a 'negative PE ruling' from the Dutch tax authorities ⁵⁵	Spanish tax authorities if necessary

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		generally taxed in the same manner under German tax law.					

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* The information in the Irish section of the table was contributed by William Fry. Contact [Ted McGrath](#) for more information.

** The information in the Italian section of the table concerning corporate and income taxes was contributed by CBA Studio Legale e Tributario. Contact [Ernesto Caso](#) for more information.

¹ Including 5.50% solidarity surcharge, but plus church tax, if applicable.

² Restrictions are in place on the use of reliefs by 'high income earners' because in effect, individuals earning €400,000 or more per annum are subject to a minimum effective rate of 30%. The restrictions start on a gradual basis from an income of €125,000 and increase until an income of €400,000 (i.e. an individual earning €400,000 is subject to the full restriction).

³ Reduced rates are available in certain circumstances e.g. individuals over 70 years of age with an aggregate income of less than €60,000.

⁴ A 45% universal social charge rate applies in respect of bonuses paid to employees of certain financial institutions where the aggregate payment for the year exceeds €20,000. If it does not exceed €20,000 then the normal rates apply.

⁵ This includes a 7% solidarity surcharge (9% if taxable income exceeds €150,000 in tax class 1 and 1a or €300,000 in tax class 2).

⁶ Actual investment income (capital gains, dividends, interest and royalty) are not subject to income tax. Instead of that the taxpayer's worldwide net value of assets is deemed to produce a yield of 2.87% for assets with a total net value up to €75,000; 4.60% for assets with a total net value between €75,001 and €975,000; and 5.39% for assets with a total net value exceeding €975,000.

⁷ Income in excess of €12,450 is taxable on an increasing scale. Income over €60,000 is taxable at the highest rate of 43.5%.

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- ⁸ The German flat tax rate plus 5.50% including solidarity surcharge, but plus church tax, if applicable.
- ⁹ The reduced rate applies to certain gains by entrepreneurs.
- ¹⁰ The special rate applies on the disposal of certain offshore life assurance policies and offshore investment products.
- ¹¹ A different rate may apply under specific circumstances, for example, in relation to the transfer of a qualifying participation.
- ¹² The generalised social contribution is calculated on 98.25% of the gross income up to €156,912 for the year 2017 and on 100% of the gross income above this threshold.
- ¹³ This limit is €5,400 in the five new federal states.
- ¹⁴ This limit is €5,400 in the five new federal states.
- ¹⁵ This rate is 1.675% in Saxony. The rate is also increased by an additional 0.25% for childless employees.
- ¹⁶ Employees are subject to PRSI at 4% where weekly earnings exceed €352. Self-employed individuals are subject to PRSI at 4% where annual self-employed income exceeds €5,000.
- ¹⁷ The contributions will depend on the type and size of the business and the rank of the employee.
- ¹⁸ The contributions may be different for self-employed collaborators enrolled in professional registers (e.g. doctors, lawyers, engineers, architects etc).
- ¹⁹ Mutual health care insurance is optional and the rate depends on the absenteeism rate of the individual.
- ²⁰ This applies to individuals aged 47 years or younger. Individuals aged 48 or older may elect a monthly base between €963.30 and €1,964.70.
- ²¹ Applicable if the net value of a taxpayer's worldwide assets exceeds €1,300,000. The maximum rate of 1.5% applies on the assets' value over €10,000,000.
- ²² The church tax is payable by church members who are subject to unlimited tax liability. The church tax is deductible and, therefore, the effective tax rate is lower.
- ²³ The municipal business tax is applicable to individuals carrying on a business in Luxembourg. The rate varies between municipalities and is determined by the product of the base rate (3%) and the coefficient determined by the municipality.
- ²⁴ The taxable base is calculated by reference to a person's net assets on 31 December each year. Each resident tax payer is entitled to a general exemption of €700,000. The net wealth tax is calculated on a progressive rate, capped at 2.5% (applicable on net wealth exceeding €10,695,996.06). The aggregate burden of income tax and net wealth tax payable must not exceed 60% of an individual's total taxable income for any given financial year.
- ²⁵ This rate applies to half of the after-tax professional service income for certain companies providing professional services.
- ²⁶ This rate applies to the undistributed after-tax investment income of a close company.
- ²⁷ Certain trading dividends from foreign subsidiaries located in an EU member state or in a country with which Ireland has a double tax treaty or in a country which has ratified the Convention on Mutual Assistance in Tax Matters or whose principal class of shares (or the shares of a 75% parent company) is traded on a recognised stock exchange are taxed at 12.50%.
- ²⁸ Dividends received by a portfolio investor which form part of such investor's trading income are exempt from Irish corporation tax. Portfolio investors are companies which hold not more than 5% of the share capital (either directly or together with a connected person) and not more than 5% of the voting rights of the dividend paying company.
- ²⁹ Excepted trades include most dealings in land and certain petroleum activities.
- ³⁰ This includes a 7% solidarity charge and the municipality business tax. The municipality business tax for the city of Luxembourg is 6.75% (however, it varies depending on the municipality).
- ³¹ This rate includes the additional contribution of 0.03%.
- ³² CET has two components: the corporate property contribution (CFE) and the added value contribution (CVAE).
- ³³ Dividends paid between companies belonging to a same tax consolidated group benefit from an 99% exemption for fiscal years beginning 01 January 2016

³⁴ The participation exemption may not be available if the participation is held in a company established in a non-cooperative state or territory.

³⁵ The introduction of a 10% qualifying participation is under discussion.

³⁶ For the participation exemption on gains to apply, the participation must have been booked as an investment, the shares must have been held for at least 12 months and the subsidiary must be resident in a white list country and have carried on an operating business for the last three years.

³⁷ For dividends, there is a requirement of a minimum participation of 10% or an acquisition price of at least €1.2 million, for capital gains, there is a requirement of a minimum participation of 10% or an acquisition price of at least €6 million. In addition, the holding company must have held a qualifying participation continuously for at least 12 months (or must commit itself to hold such participation for at least 12 months). This is subject to hybrid mismatch and general anti-abuse rules.

³⁸ If the shareholder is located outside of Spain the exemption applies only if it is subject to an income tax similar to the Spanish corporation tax at a nominal rate of at least 10%.

³⁹ If the company has fewer than 20 employees, the housing aid rate is 0.10% on a maximum monthly salary of €3,269.

⁴⁰ This limit is €5,400 in the five new federal states.

⁴¹ This limit is €5,400 in the five new federal states.

⁴² This rate is 1.675% in Saxony.

⁴³ Reduced rate applies where remuneration paid to employees is below €376.

⁴⁴ The remuneration includes taxable benefits in kind but excludes certain termination payments. A disallowance is made for pension contributions by the employee (unless contributions are made to a scheme approved by the Irish Revenue Commissioners).

⁴⁵ The contributions may be different for self-employed collaborators enrolled in professional registers (e.g. doctors, lawyers, engineers, architects etc).

⁴⁶ Italy should increase the general rate to 25% from 01 January 2018, to 25.4% from 01 January 2019, to 24.9% from 01 January 2020 and to 25% from 01 January 2021; the reduced rate of 10% to 11.5% from 01 January 2018, to 12% from 01 January 2019 and to 13% from 01 January 2020, if its spending cuts fail to reduce the deficit as a percentage of GDP to below 3%.

⁴⁷ Dividend distributed to a company resident in a non-cooperative state or territory could be subject to a 75% withholding tax rate.

⁴⁸ The reduced rate applies to distributions of profits if the beneficial owner of the dividends is an entity which is subject to corporation tax and resident in an EEA country that allows adequate exchange of information with the Italian tax authorities.

⁴⁹ Interest paid to a company located in a non-cooperative state or territory could be subject to a 75% withholding tax rate.

⁵⁰ Withholding tax is imposed on interest from convertible bonds, profit-sharing bonds, participation loans and income from participation of silent partners in a trade and business at 25% (26.38% including the solidarity surcharge). Interest on coupons of bearer bonds that is not credited to a bank account with a foreign bank is also subject to withholding tax at 25% (26.38% including the solidarity surcharge).

⁵¹ This rate is applicable to interest on state bonds and other largely traded bonds.

⁵² Income generated through the investment manager would then be subject to German taxation (unless an exemption under a double tax treaty applies). In addition, where the German investment manager is regarded as making the day-to-day management decisions of the non-German fund, this fund will be treated as being tax resident in Germany. In this case, the global income of the fund will be subject to German taxation (unless an exemption under a double tax treaty applies). Assuming draft legislation for a new German Investment Tax Act comes into force, from 01 January 2018 the existence of a German taxable presence or place of management will not influence the taxation of the fund as German and non-German funds will be treated in the same way.

⁵³ The existence or otherwise of a PE in Italy needs to be carefully considered on a case-by-case basis and in certain cases it may be advisable to consider obtaining a ruling from the Italian Tax Administration in order to have a mutually agreed framework and to avoid future risks.

⁵⁴ Alternative investment funds (Law of 12 July 2013 on alternative investment fund managers) and undertakings for collective investments (Law of 17 December 2010 concerning undertakings for collective investment) established outside Luxembourg but having their place of effective management or central administrations in Luxembourg are expressly exempt from Luxembourg taxation.

⁵⁵ A 'negative PE ruling' confirms that an investment manager that performs its activities out of the Netherlands in itself does not create a taxable presence in the Netherlands of the fund that it manages. Such ruling is generally issued without any specific conditions or requirements.